

HCS SB 932 -- REGULATION OF BONDED ENTITIES

SPONSOR: Cunningham

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Banking by a vote of 8 to 0. Voted "Do Pass with HCS" by the Select Committee on Financial Institutions and Taxation by a vote of 8 to 0.

This bill modifies auditing standards of credit unions so that the standards are consistent with federal credit union standards (Section 370.230, RSMo).

The bill specifies that the Secretary of State must maintain a database that includes information contained on each notary public's seal or any lost seal of a notary public. A manufacturer of a notary public seal is required to register with the Secretary of State and notify the Secretary of State when a seal is issued. The Secretary of State must approve any seal issued by the manufacturer within 10 days. A copy of the commission must be maintained by the manufacturer and if a manufacturer violates this provision, they are subject to a \$1,000 fine for each violation. The bill increases the penalty for acting as, or willfully impersonating a notary public while not lawfully appointed and commissioned to perform notarial acts from a misdemeanor to a class D felony.

Any notary public who loses or misplaces their journal of notarial acts or official seal must immediately provide written notice of the fact to the Secretary of State. For a lost or misplaced official seal, upon receipt of the written notice, the Secretary of State is required to issue the notary a new commission number for the notary to order a new seal.

If a notary public's official seal is destroyed, broken, damaged, or otherwise rendered inoperable, the notary must immediately provide written notice of that fact to the Secretary of State.

If any notary public no longer desires to be a notary public, he or she must mail or deliver to the Secretary of State a letter of resignation and their notary seal, and their commission will cease to be in effect (Sections 486.245, 486.275, 486.285, 486.305, 486.310, and 486.375).

This bill is similar to HB 1721 (2016).

PROPOSERS: Supporters say that this bill will allow audits to be performed every other year instead of annually. It will reduce regulation compliance costs by making the standards the same as the

federal standards for credit unions. The bill will help with tracking and record keeping of notary public stamps by the Secretary of State and stamp manufacturers to reduce fraud.

Testifying for the bill were Senator Cunningham; Missouri Credit Union Association; and the Recorders` Association of Missouri.

OPPONENTS: There was no opposition voiced to the committee.